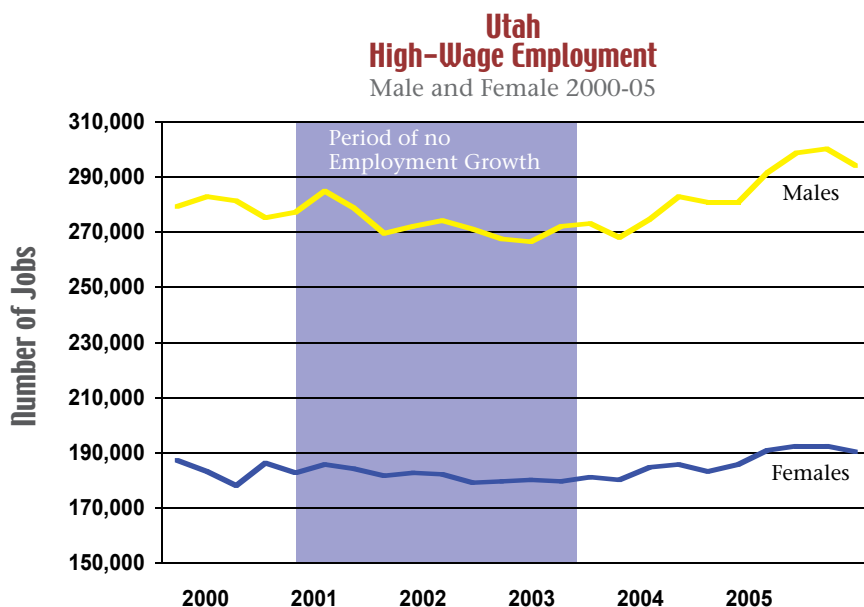
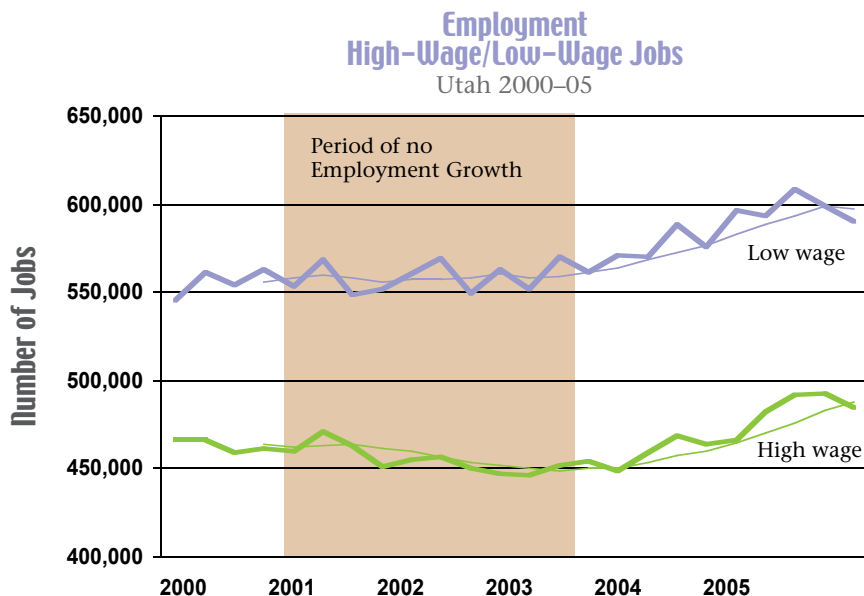


# Putting a Face

## on Utah's Recession



Source: U.S. Census Bureau, LED. Mean wage of all industries \$2,452. Four-digit NAICS code. Does not include federal government employment and other employment not covered by unemployment insurance laws.

Sometimes it is enlightening to pause and take a look back at things that have happened, especially when new data sources like the Local Employment Dynamics (LED) program from the U.S. Census Bureau shed additional light.

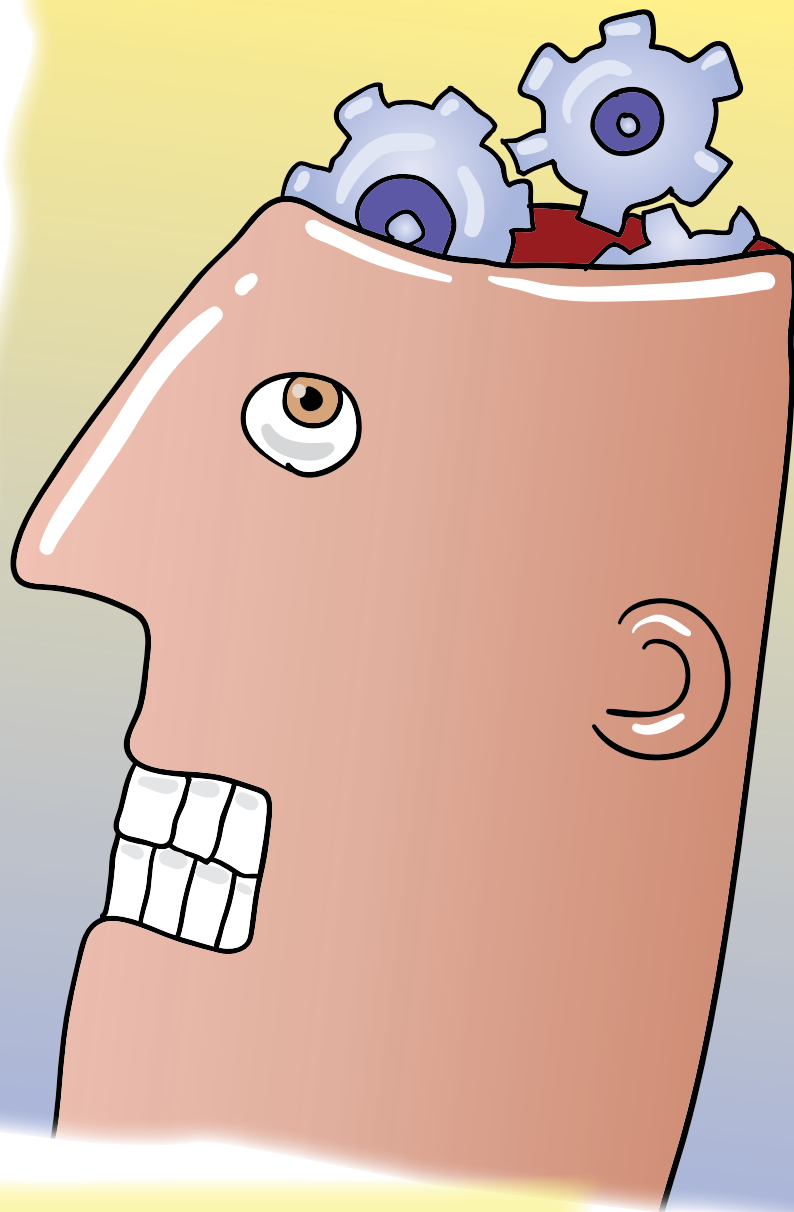
Utah experienced an extremely rare employment recession from 2001 through 2003. A modest number of jobs disappeared, and Utah's employment peak in January 2001 wasn't reached again until January 2004—a three-year period with no net Utah job growth. That was the most prolonged Utah downturn in the post-WWII era. At the low point within that employment-recession cycle, Utah's economy shed roughly 15,000 jobs.

What industries were involved in this downturn and which workers were impacted? In a nutshell, the answer is construction, manufacturing, and information technology, and the workers affected were predominantly males in high-wage jobs. Caveats are that not all construction, manufacturing, and information technology areas had employment declines, but important pieces did, and they were enough to single out those industries as the areas with significant employment decline.

Used during this evaluation was a simple segmentation of placing industries either above an all-industry average monthly wage (high

wage) or below (low wage)—based upon the average monthly wage paid by that industry. Employment levels were evaluated for all industries between 2000 and 2005. The area of focus is any job losses between the beginning of 2001 and the end of 2003—the prime years of employment decline in Utah. It turned out that the noticeable employment declines were found predominantly on the high-wage side of the ledger, and a further breakdown into gender showed that it was largely males affected in those industries.

This shouldn't come as too much of a surprise since males dominate the high-wage picture in Utah by a 60-40 margin. Profiling just males, a breakout into high-wage/low-wage industries shows employment levels split nearly 50-50. But repeat this for females and you find something more like 60-40—60 percent work in low-wage industries, 40 percent in high-wage. This is not an unusual difference, as this pattern also holds in a national profile. Also, in Utah, females work a significant percentage of part-time employment, much more so than males, and that tends to push them onto the low-wage side of the ledger. ●



**The most impacted industries were construction, manufacturing, and information technology.**